



STAFF REPORT

Resolution Ratifying the Proposed Appropriations Budget for FY 2010/2011 for the Belmont-San Carlos Fire Department.

Honorable President and Board of Directors of Belmont Fire Protection District

Summary:

Request Ratification of the Proposed Appropriations Budget for the Belmont-San Carlos Fire Department for FY 2010/2011. This is a balanced budget at \$15,476,822.

Background/Discussion:

The proposed budget provides for maintaining continuation of current service levels to the communities of Belmont and San Carlos. No increases in service levels or new services are anticipated within this proposed budget. All major capital expenditures, including scheduled vehicle purchases have been deferred to the future. The department has filled existing vacancies in order to insure operational stability and to the best of our ability, scheduling predictability. The proposed budget provides for expenditures within expected revenues. Additionally, we have seen another drop in our Workers Compensation program costs through FASIS (Fire Agency Self Insurance System) with another reduction of \$100,000 in FY2010/2011.

There will be substantial challenges for the Department during this next fiscal year. These will include ongoing staffing in view of retirements and a lack of replacement personnel. With the notice of Dissolution given to the Belmont Fire Protection District by the City of San Carlos to in effect dissolve the Belmont-San Carlos Fire Department in October 2011, both partner agencies are seeing changes in the structure as a wind down period will occur. In spite of this issue the members of this department are committed to providing excellent service to the communities in which we serve.

Although the City of San Carlos requested no increase to the funded budget amount – maintain at the funding level of FY 2009/2010 for FY 2010/2011 – this request was also assumed for the Belmont Fire Protection District.

The proposed Appropriations Budget for FY 2010/2011 has been approved by the Fire Commission of the Belmont-San Carlos Fire Department at the May 12, 2010 after discussion for changes at the April 28, 2010 special Fire Commission meeting. Those adjustments and changes are reflected below:

- Accounts – 8351 – 9621 (see attachment) reduced the budget by \$227,000.
- A reduction to the Capital Improvements account from \$100,000 to \$25,000.
- The GASB 45 payment in full will not occur until June 2011 unless it is needed for contingency reserve, at which time a pay as you go amount will be paid.
- Capital repairs/improvements to the fire stations become the responsibility of the City of San Carlos and the Belmont Fire Protection District respective to station locations beginning in this budget period.
- The Board of Fire Commissioners for the Belmont-San Carlos Fire Department will communicate a financial plan for the four months left in the agency prior to dissolution in October 2011 for the FY 2011/2012 (short period).

As stated in the Second Amended and Restated Joint Powers Agreement for Belmont-San Carlos Fire Department to be taken before the Belmont Fire Protection District Board of Commissioners and the City of San Carlos City Council for their ratification.

In the agreement – Section 4.2. Major Decisions; Tie Votes. Major decisions are: approval or amendment of an annual budget; approval or amendment of labor agreements; declaring impasse in labor negotiations; approving changes in the level of service during a fiscal year from the level specified in the approved budget; issuing a Bond or incurring any other debt in excess of \$100,000 in 2006 dollars, to be adjusted annually according to the San Francisco Consumer Price Index for All Urban Consumers, which is not expected to be repaid within twelve months; and accepting another public agency as a member. The Board may not take final action on Major Decisions without the prior consent of all Members following a recommendation to those Members by the Board. The Board may refer items other than Major Decisions to the Members for review and direction prior to taking action if the Board so desires and shall refer to the Members any decision as to which a tie persists among the Board Members as provided in Section 7.2 of the Second Amended and Restated Joint Powers Agreement for Belmont-San Carlos Fire Department.

Fiscal Impact:

The proposed FY 2010/2011 budget recommends an appropriation of \$15,476,822 with member contributions by the City of San Carlos and the Belmont Fire Protection District of \$6,292,394 and \$5,486,190 respectively.

The impact to each agency is the funding formula program that was approved with the Amended Joint Powers Agreement (JPA) with each of the partner agencies.

The anticipated costs for the final four months of the organization are considered to be understated, but based on today's operating costs – the financial plan is estimated to be for FY 2011/2012 (short period) until October 13, 2011 is approximately \$4,200,000 total.

Recommended Action:

Adopt the proposed Appropriations Budget for FY 2010/2011 that has been approved by the Fire Commission of the Belmont-San Carlos Fire Department at their May 12, 2010 meeting.

Alternative Course of Action:

1. With direction, refer to staff for further consideration.

Attachment(s):

1. Proposed FY 2010/2011 Budget
2. Belmont Fire Protection District Resolution
3. Copy of Budget line item reductions (Attachment C)

Public Contact:

1. Posting of City Council agenda.

Respectfully submitted,

Douglas Fry
Fire Chief

Thomas Fil
Acting District Manager

BELMONT FIRE PROTECTION DISTRICT RESOLUTION NO. _____

**RESOLUTION OF THE BELMONT FIRE PROTECTION DISTRICT FOR APPROVAL
OF THE FY 2010-2011 BELMONT-SAN CARLOS FIRE DEPARTMENT BUDGET**

WHEREAS, the Fire Commission of the Belmont-San Carlos Fire Department approved the following budget reductions in the recommended for Review and Approval FY 2010/2011 Belmont-San Carlos Fire Department Budget for the Belmont Fire Protection District and the City of San Carlos; and

WHEREAS, the Fire Board recommends a reduction of \$227,000 from the proposed budget as shown in the staff report prepared for the May 12, 2010 Fire Board meeting (i.e., lines #8351-9621); and

WHEREAS, the Fire Board further recommends an additional reduction in proposed Capital Funding from \$100,000 to \$25,000; and

WHEREAS, the Fire Board further recommends the GASB 45 payment in full not occur until June 2011 unless it is needed for contingencies, at which time a pay as you go amount will be paid; and

WHEREAS, the Fire Board further recommends that capital repairs/improvements to the fire stations become the responsibility of the City of San Carlos and the Belmont Fire Protection District (i.e. where the stations are located); and

WHEREAS, as part of the FY 2010-2011 Budget, the Fire Board further transmits a financial plan for the FY 2012 (short period) until October 13, 2011.

THEREFORE, BE IT HEREBY RESOLVED, that the Board of Directors for the Belmont Fire Protection District adopt the Belmont-San Carlos Fire Department Appropriations Budget in the amount of \$15,476,822 for Fiscal Year 2010/2011. The budgeted amount for the Belmont Fire Protection District contribution is \$5,486,190.

* * * * *

I hereby certify that the foregoing Resolution was duly and regularly passed and adopted by the Belmont Fire Protection District at a special meeting thereof held on May 25, 2010 by the following vote:

AYES, DIRECTORS: _____

NOES, DIRECTORS: _____

ABSTAIN, DIRECTORS: _____

ABSENT, DIRECTORS: _____

Secretary, Belmont Fire Protection District

President, Belmont Fire Protection District

Attachment C

<u>Account #</u>	<u>Description</u>	<u>Proposed 4/28</u>	<u>Approved 5/12</u>	<u>Change from 4/28</u>
8351	Other Professional/Technical	\$ 320,200	\$ 302,700	\$ (17,500)
8413	Utilities-Station 13	\$ 19,000	\$ 17,000	\$ (2,000)
8430	Repair & Maintenance Service	\$ 8,500	\$ 7,000	\$ (1,500)
8439	Vehicle Maintenance Service	\$ 190,000	\$ 150,000	\$ (40,000)
8550	Printing & Binding	\$ 7,500	\$ 6,000	\$ (1,500)
8610	General Supplies	\$ 66,800	\$ 64,300	\$ (2,500)
8612	Apparatus Appliance Equip & Repair	\$ 77,000	\$ 75,000	\$ (2,000)
8614	Turnouts/Wildland Safety Equip	\$ 66,000	\$ 65,000	\$ (1,000)
8615	Clean/Maint Turnouts PPE	\$ 12,000	\$ 11,500	\$ (500)
8643	Rep & Maint-Supply-Station 13	\$ 20,000	\$ 25,000	\$ 5,000
8644	Rep & Maint Supply-Station 14	\$ 20,000	\$ 25,000	\$ 5,000
8645	Rep & Maint Supply-Station 15	\$ 20,000	\$ 15,000	\$ (5,000)
8646	Rep & Maint Supply-Station 16	\$ 20,000	\$ 15,000	\$ (5,000)
9030	Improvements	\$ 80,000	\$ 25,000	\$ (55,000)
9040	Machinery & Equipment	\$ 79,000	\$ 25,000	\$ (54,000)
9041	Vehicles	\$ 1,170,557	\$ 1,171,641	\$ 1,084
9331	Principal-Capital Leases	\$ 227,887	\$ 169,422	\$ (58,465)
9381	Interest-Capital Leases	\$ 86,193	\$ 33,818	\$ (52,375)
		<u>\$ 2,490,637</u>	<u>\$ 2,203,381</u>	<u>\$ (287,256)</u>